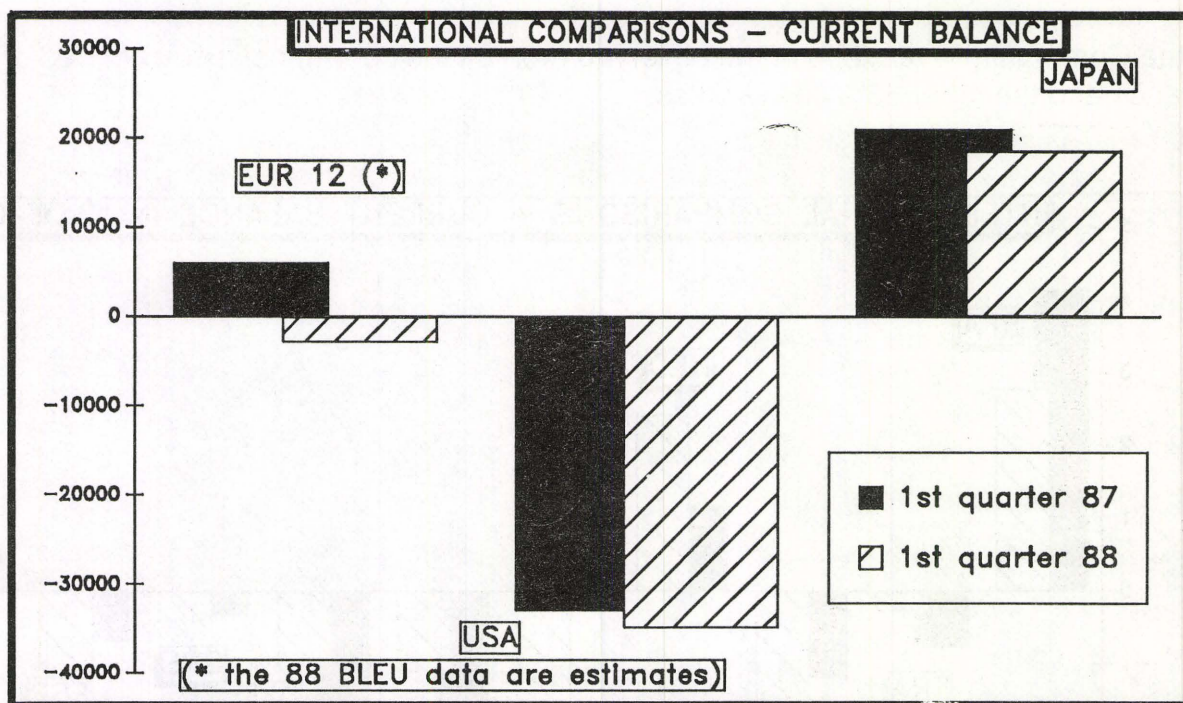


# RAPID REPORTS

## Economy and finance

1988 □ 7



## COMMUNITY'S CURRENT ACCOUNT BALANCE IN DEFICIT

### FOR THE FIRST QUARTER OF 1988

The Community's current balance for the first quarter of 1988 was clearly lower than it was in the same quarter last year.

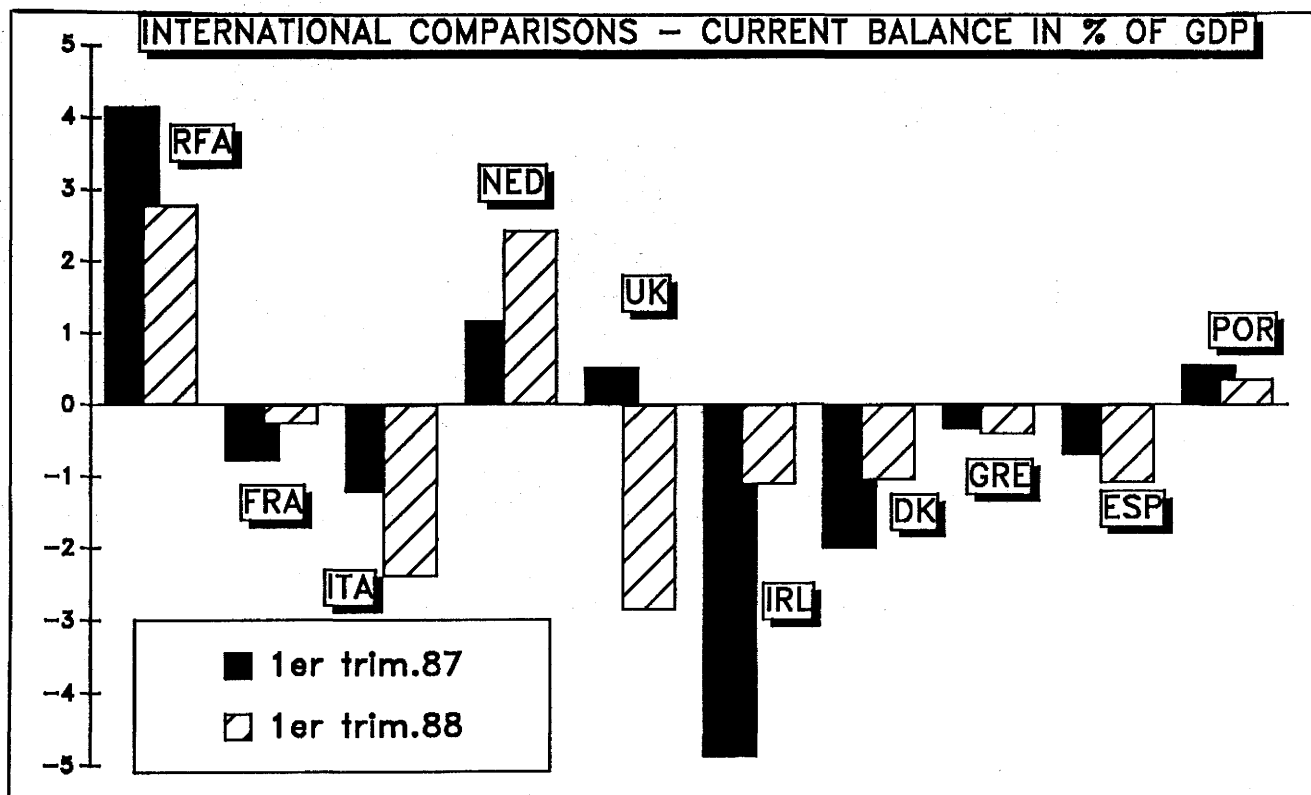
It has gone from a positive balance of 6 billion Ecus to a negative balance of 3 billion. The current balances of Germany, United Kingdom and Italy were mainly responsible for this fall.

Germany is still in a very comfortable position with a surplus of 7 billion Ecus. However, the current balances of U.K. (-4.5 billion) and Italy (-4.1 billion) are causing concern.

In U.K. the changes have occurred mainly on the post "merchandise", with the trade deficit increasing by 4 billion Ecus if one compares the first quarter of 1987 with that of 1988. The oil balance has played a minor role in this process with the surplus falling by 0.3 billion Ecus. For other merchandises (excluding oil and erratic items \*), exports (in UK pounds) have remained stable, while imports have risen quite strongly producing a drop of 3.3 billion Ecus in the balance. The increase in imports and the decrease in exports were partly due to the continuous rise in sterling in relation to the Ecu and the dollar during this period.

The increase in Italy's current account deficit (drop of 2.1 billion Ecus from the first quarter 1987 to the first quarter 1988) is also due to the post "merchandise" (drop of 1.6 billion). In addition the post "travel" fell by 0.2

At the Community level, 67% of the observed drop on the current balance occurred on the trade balance and the other 33% on invisibles.



### Changes in the invisible and trade balance

(1st quarter 1988 - 1st quarter 1987)

*(billion of Ecus)*

	INVISIBLES	TRADE
UK	-1.2	-4
GERMANY	-1.4	-1.7
ITALY	-0.6	-1.6
EUR-12	-2.7	-6.3

Other countries, however, showed improved results, notably Ireland, the Netherlands, Denmark and especially France whose current account deficit was brought back to 0.5 billion Ecus thanks to an improvement of 0.8 billion on the invisible balance.

(\* vessels, North sea installations, precious stones and silver - statistics DTI press notice)

# **TABLES BY COUNTRY - in national currency**

The updates of this report are:

UEBL: revised data for 01/87-04/87; estimates for 01/88	ITALY: revised data 01/87-04/87; new data 01/88
DENMARK: new data for 01/88	NETHERLANDS: revised data 01/87-04/87; new data 01/88
GERMANY: revised data 01/87-04/87; new data for 01/88	PORTUGAL: new data 01/88
SPAIN: new data for 01/88	UK: revised data 01/87-04/87; new data 01/88
FRANCE: revised data 01/87-04/87;	USA: revised data 01/87-04/87; new data 01/88
GREECE: new data 01/88	JAPAN: revised data 01/87-04/87; new data 01/88
IRELAND: new data 01/88	

		UEBL/BLEU - Billion BFR					DANMARK - Million DKR				
		01/87	02/87	03/87	04/87	01/88	01/87	02/87	03/87	04/87	01/88
MERCHANDISE (fob-fob)	(+)	694	751	712	767	694	42 709	43 044	42 025	47 140	46 407
	(-)	711	734	696	787	711	41 001	40 452	40 344	47 492	41 853
	(=)	- 17	17	16	- 20	- 17	1 708	2 592	1 681	- 352	4 554
CURRENT BALANCE	(+)	1 147	1 234	1 195	1 279	1 147	61 877	63 310	65 067	67 643	68 233
	(-)	1 147	1 191	1 154	1 254	1 147	65 370	68 721	68 637	75 329	70 147
	(=)		43	41	25		- 3 493	- 5 411	- 3 570	- 7 686	- 1 914
BASIC BALANCE	(=)	- 27	33	30	- 6	- 27	20 206	8 213	3 614	6 052	9 627
OFFICIAL SETTLEMENTS BALANCE	(=)	30	61	- 27	- 26	30	13 677	16 164	1 229	- 1 064	7 062
RESERVES (minus = net increase)		- 3	- 80	- 16	10	- 3	- 8 194	- 16 260	- 1 226	646	- 7 238

		B.R DEUTSCHLAND - Million DM					ESPANA - Billion PTAS				
		01/87	02/87	03/87	04/87	01/88	01/87	02/87	03/87	04/87	01/88
MERCHANDISE (fob-fob)	(+)	120 341	121 178	120 254	134 447	120 525	954	1 066	969	1 113	1 101
	(-)	90 831	92 211	91 627	99 068	94 590	1 290	1 382	1 392	1 644	1 469
	(=)	29 510	28 967	28 627	35 379	25 935	- 337	- 316	- 423	- 531	- 369
CURRENT BALANCE	(+)	159 876	162 556	162 756	176 143	160 026	1 644	1 891	2 139	1 885	1 948
	(-)	139 009	142 838	148 446	150 242	145 547	1 706	1 822	1 941	2 068	2 055
	(=)	20 867	19 718	14 311	25 899	14 479	- 62	69	198	- 183	- 107
BASIC BALANCE	(=)	37 936	21 313	- 3 963	1 957	- 9 459	- 55	394	702	32	184
OFFICIAL SETTLEMENTS BALANCE	(=)	16 257	5 645	- 1 596	23 587	- 929	- 62	375	628	- 101	363
RESERVES (minus = net increase)		- 13 432	- 4 415	- 1 900	- 18 150	4 225	- 180	- 568	- 801	45	- 402

		FRANCE - Million FF					HELLAS - Million US\$				
		01/87	02/87	03/87	04/87	01/88	01/87	02/87	03/87	04/87	01/88
MERCHANDISE (fob-fob)	(+)	200 398	206 564	196 061	234 328	226 013	1 166	1 260	1 393	1 795	1 295
	(-)	218 121	223 546	206 894	244 528	242 805	2 423	2 838	2 757	3 094	2 941
	(=)	- 17 723	- 16 982	- 10 833	- 10 200	- 16 792	- 1 257	- 1 578	- 1 364	- 1 299	- 1 646
CURRENT BALANCE	(+)	344 403	369 701	359 739	392 303	NA	2 605	3 103	4 634	3 762	3 187
	(-)	354 734	371 507	365 048	399 347	NA	3 357	3 872	3 833	4 337	4 225
	(=)	- 10 331	- 1 806	- 5 309	- 7 044	- 3 856	- 752	- 769	801	- 575	- 1 038
BASIC BALANCE	(=)	- 2 853	6 083	- 3 827	- 12 235	- 8 552	157	- 666	1 404	- 872	- 524
OFFICIAL SETTLEMENTS BALANCE	(=)	6 621	- 7 846	7 227	51 089	NA	246	- 231	1 548	- 612	- 503
RESERVES (minus = net increase)		10 498	- 8 471	8 245	28 838	NA	- 182	- 45	- 1 297	731	379

		IRELAND - Million IRE					ITALIA - Billion LIT				
		01/87	02/87	03/87	04/87	01/88	01/87	02/87	03/87	04/87	01/88
MERCHANDISE (fob-fob)	(+)	2 287	2 709	2 616	2 836	2 688	34 678	37 395	36 458	41 918	35 400
	(-)	2 242	2 304	2 160	2 432	2 364	35 900	37 844	34 923	41 641	39 049
	(=)	45	405	456	404	324	-1 222	- 449	1 535	277	-3 649
CURRENT BALANCE	(+)	3 026	3 638	3 613	3 602	4 263	48 183	54 538	53 586	56 263	49 330
	(-)	3 267	3 355	3 405	3 586	4 320	51 157	53 080	51 406	58 213	55 651
	(=)	- 241	283	208	16	- 57	-2 974	1 458	2 180	-1 950	-6 321
BASIC BALANCE	(=)	222	422	262	33	470	836	-2 333	- 368	3 277	-1 235
OFFICIAL SETTLEMENTS BALANCE	(=)	90	181	330	6	260	5 098	-2 918	-1 998	6 444	1 334
RESERVES (minus = net increase)		- 90	- 181	- 330	- 6	- 260	-5 098	2 918	1 998	-6 444	-1 334

		NEDERLAND - Million HFL					PORTUGAL - Billion ESC				
		01/87	02/87	03/87	04/87	01/88	01/87	02/87	03/87	04/87	01/88
MERCHANDISE (fob-fob)	(+)	43 660	43 853	41 705	46 377	46 962	308	315	322	346	340
	(-)	41 554	39 850	39 929	43 627	43 186	405	465	444	453	452
	(=)	2 106	4 003	1 776	2 750	3 776	- 97	- 149	- 122	- 107	- 113
CURRENT BALANCE	(+)	62 447	64 636	63 213	68 128	67 597	534	576	674	628	603
	(-)	61 168	61 033	63 173	66 721	64 898	527	606	588	599	598
	(=)	1 279	3 603	40	1 407	2 699	7	- 30	86	29	5
BASIC BALANCE	(=)	-1 360	4 372	- 237	608	8 355	- 1	- 8	172	- 68	11
OFFICIAL SETTLEMENTS BALANCE	(=)	1 600	3 820	775	- 495	598	6	44	216	4	- 41
RESERVES (minus = net increase)		-1 144	-3 384	- 784	- 195	- 567	- 6	- 44	- 216	- 4	41

		UNITED KINGDOM- Million UK£					EUR - 12 - Million ECU				
		01/87	02/87	03/87	04/87	01/88	01/87	02/87	03/87	04/87	01/88
MERCHANDISE (fob-fob)	(+)	19 433	19 325	19 291	21 373	19 210	190 398	196 389	191 356	216 142	198508
	(-)	21 151	22 089	22 474	23 870	23 624	185 156	190 654	185 701	208 290	199612
	(=)	-1 718	-2 764	-3 183	-2 497	-4 414	5 242	5 735	5 656	7 852	-1104
CURRENT BALANCE	(+)	38 911	39 228	40 691	40 602	39 077	295 807	312 567	315 534	329 932	NA
	(-)	38 380	40 025	41 839	41 692	42 211	289 775	301 657	306 164	322 658	NA
	(=)	531	- 797	-1 148	-1 090	-3 134	6 032	10 910	9 370	7 273	-2994
BASIC BALANCE	(=)	730	-3 523	- 467	9 525	-6 584	20 918	10 867	5 302	15 144	-10453
OFFICIAL SETTLEMENTS BALANCE	(=)	1 536	3 802	236	4 946	1 099	17 478	13 076	6 730	27 990	NA
RESERVES (minus = net increase)		-1 523	-4 469	- 269	-5 751	- 653	-13 696	-17 625	-8 235	-16 094	NA

		UNITED STATES - Million US\$					JAPAN - Million US\$				
		01/87	02/87	03/87	04/87	01/88	01/87	02/87	03/87	04/87	01/88
MERCHANDISE (fob-fob)	(+)	57 171	61 426	61 705	69 310	75 048	50 488	55 823	56 598	61 655	59 306
	(-)	93 738	101 307	104 450	110 432	107 573	27 110	30 774	32 991	37 294	38 037
	(=)	-36 567	-39 881	-42 745	-41 121	-32 525	23 378	25 039	23 607	24 361	21 268
CURRENT BALANCE	(+)	99 361	102 950	103 275	121 471	119 186	67 889	74 521	77 881	84 566	85 211
	(-)	132 423	144 746	150 591	153 339	154 145	46 945	51 850	56 700	62 488	66 705
	(=)	-33 062	-41 796	-47 316	-31 868	-34 960	20 944	22 671	21 181	22 078	18 506
BASIC BALANCE	(=)	-14 602	-18 012	-26 441	-35 629	-3 583	-9 154	-21 778	-1 072	-15 766	5 977
OFFICIAL SETTLEMENTS BALANCE	(=)	-5 346	-3 817	4 086	-15 444	-9 971	17 212	13 147	3 179	8 031	5 033
RESERVES (minus = net increase)		1 967	3 416	26	3 720	1 505	-15 825	-10 857	-2 783	-8 394	-3 378

## II. TABLES BY HEADING - in mio ecu

### EXCHANGE RATES

1 ECU = ...		01/87	02/87	03/87	04/87	01/88
BLEU / UEBL	1000 BFR	0,0428651	0,04304	0,0431	0,04318	0,04324
DANMARK	DKR	7,81124	7,81846	7,93901	7,96206	7,9187
B.R. DEUTSCHLAND	DM	2,06801	2,07622	2,07487	2,06736	2,06743
ESPANA	1000 PTAS	0,145007	0,145	0,14059	0,138382	0,1394
FRANCE	FF	6,88774	6,92878	6,92043	6,97738	6,99449
HELLAS	US\$	1,12455	1,14978	1,12844	1,2137	1,23326
IRELAND	IR	0,774734	0,77605	0,77529	0,77574	0,776078
ITALIA	1000 LIT	1,469166	1,49444	1,50151	1,51338	1,52441
NEDERLAND	HFL	2,33425	2,34036	2,33635	2,32636	2,32212
PORTUGAL	1000 ESC	0,1594341	0,1614	0,16281	0,161862	0,16909
UNITED KINGDOM	UK	0,729237	0,70005	0,6977	0,691834	0,686282
UNITED STATES	US\$	1,12455	1,14978	1,12844	1,2137	1,23326
JAPAN	US\$	1,12455	1,14978	1,12844	1,2137	1,23326
	SDR	0,891844	0,88855	0,88384	0,90374	0,901672

### A. TRADE BALANCE NET

	01/87	02/87	03/87	04/87	01/88	1987
EUR-12 *)	5242	5735	5656	7852	-1103	23958
U.S.A	-32517	-34686	-37880	-33881	-26373	-138930
JAPON	20789	21777	20920	20072	17245	83547
BLEU / UEBL	-397	395	371	-463	-397	-116
DANMARK	219	332	212	-44	575	713
B.R. DEUTSCHLAND	14270	13952	13797	17113	12545	59132
ESPANA	-2321	-2179	-3009	-3837	-2643	-11346
FRANCE	-2573	-2451	-1565	-1462	-2401	-8547
HELLAS	-1118	-1372	-1209	-1070	-1335	-4767
IRELAND	58	522	588	521	418	1689
ITALIA	-832	-300	1022	183	-2394	73
NEDERLAND	902	1710	760	1182	1626	4529
PORTUGAL	-611	-924	-749	-661	-665	-2926
UNITED KINGDOM	-2356	-3948	-4562	-3609	-6432	-14476

### B. INVISIBLES NET

	01/87	02/87	03/87	04/87	01/88	1987
EUR-12 *)	790	5174	3715	-579	-1890	8805
U.S.A	3117	-1666	-4051	7624	-1974	5168
JAPON	-2164	-2060	-2150	-1881	-2240	-8252
BLEU / UEBL	397	604	580	1042	397	2644
DANMARK	-666	-1024	-661	-921	-816	-3276
B.R. DEUTSCHLAND	-4179	-4455	-6900	-4586	-5541	-20122
ESPANA	1894	2658	4421	2513	1875	11486
FRANCE	1073	2190	798	452	1849	3992
HELLAS	449	704	1919	597	493	3653
IRELAND	-369	-157	-320	-500	-491	-1346
ITALIA	-1193	1276	430	-1472	-1753	-958
NEDERLAND	-354	-171	-743	-577	-464	-1605
PORTUGAL	654	739	1275	838	695	3481
UNITED KINGDOM	3084	2810	2917	2034	1865	10856

### C. CURRENT BALANCE NET

	01/87	02/87	03/87	04/87	01/88	1987
EUR-12 *)	6032	10910	9370	7273	-2994	32755
U.S.A	-29400	-36351	-41930	-26257	-28348	-133762
JAPON	18624	19718	18770	18191	15006	75295
BLEU / UEBL	0	999	951	579	0	2528
DANMARK	-447	-692	-450	-965	-242	-2568
B.R. DEUTSCHLAND	10090	9497	6897	12528	7003	39009
ESPANA	-427	479	1411	-1324	-768	139
FRANCE	-1500	-261	-767	-1010	-551	-4555
HELLAS	-669	-669	710	-474	-842	-1114
IRELAND	-311	365	268	21	-73	343
ITALIA	-2024	976	1452	-1289	-4147	-885
NEDERLAND	548	1540	17	605	1162	2923
PORTUGAL	43	-185	526	177	30	555
UNITED KINGDOM	728	-1138	-1645	-1576	-4567	-3620



# D. LONG TERM CAPITAL

	01/87	02/87	03/87	04/87	01/88	1987
EUR-12 *)	14886	-43	-4069	7871	-7459	25992
U.S.A	16415	20000	10499	-3099	25442	52211
JAPON	-26764	-38659	-19720	-31181	-10159	-116407
BLEU / UEBL	-630	-232	-255	-718	-630	-1824
DANMARK	3034	1743	905	1725	1457	7231
B.R. DEUTSCHLAND	8254	768	-8807	-11581	-11579	-3180
ESPANA	49	2239	3581	1552	2085	7421
FRANCE	1086	1139	214	-744	-671	1286
HELLAS	808	90	534	-245	417	1239
IRELAND	598	179	70	22	679	868
ITALIA	2593	-2537	-1697	3454	3336	1813
NEDERLAND	-1131	329	-119	-343	2436	-1505
PORTUGAL	-48	134	529	-594	37	-57
UNITED KINGDOM	273	-3894	976	15343	-5027	12700

# E. BASIC BALANCE

	01/87	02/87	03/87	04/87	01/88	1987
EUR-12 *)	20918	10867	5302	15144	-10453	58752
U.S.A	-12985	-15666	-23431	-29356	-2905	-81551
JAPON	-8140	-18941	-950	-12990	4847	-41112
BLEU / UEBL	-630	767	696	-139	-630	704
DANMARK	2587	1050	455	760	1216	4668
B.R. DEUTSCHLAND	18344	10265	-1910	947	-4575	35830
ESPANA	-378	2718	4993	228	1317	7561
FRANCE	-414	878	-553	-1754	-1223	-3270
HELLAS	140	-579	1244	-718	-425	124
IRELAND	287	544	338	43	606	1211
ITALIA	569	-1561	-245	2165	-810	928
NEDERLAND	-583	1868	-101	261	3598	1418
PORTUGAL	-4	-50	1055	-417	67	498
UNITED KINGDOM	1001	-5032	-669	13768	-9594	9080

# F. OFFICIAL SETTLEMENTS

	01/87	02/87	03/87	04/87	01/88	1987
EUR-12 *)	17478	13076	6730	27990	NA	50461
U.S.A	-4754	-3320	3621	-12725	-8085	-17366
JAPON	15306	11434	2817	6617	4081	36190
BLEU / UEBL	700	1417	-626	-602	700	881
DANMARK	1751	2067	155	-134	892	3899
B.R. DEUTSCHLAND	7861	2719	-769	11409	-449	21221
ESPANA	-428	2588	4464	-729	2603	5895
FRANCE	961	-1132	1044	7322	NA	-7471
HELLAS	219	-201	1372	-504	-408	1830
IRELAND	116	233	426	8	335	783
ITALIA	3470	-1953	-1331	4258	875	4445
NEDERLAND	685	1632	332	-213	258	2442
PORTUGAL	36	274	1326	25	-244	1511
UNITED KINGDOM	2106	5431	338	7149	1601	15025

# G. RESERVES

	01/87	02/87	03/87	04/87	01/88	1986
EUR-12 *)	-13696	-17625	-8235	-16094	NA	-54962
U.S.A	1749	2971	23	3065	1220	7837
JAPON	-14072	-9443	-2466	-6916	-2739	-32928
BLEU / UEBL	-70	-1859	-371	232	-70	-2073
DANMARK	-1049	-2080	-154	81	-914	-3262
B.R. DEUTSCHLAND	-6495	-2126	-916	-8779	2044	-18317
ESPANA	-1244	-3914	-5694	325	-2882	-10527
FRANCE	1524	-1223	1191	4133	NA	5632
HELLAS	-162	-39	-1149	602	307	-1685
IRELAND	-116	-233	-426	-8	-335	783
ITALIA	-3470	1953	1331	-4258	-875	-4445
NEDERLAND	-490	-1446	-336	-84	-244	-2360
PORTUGAL	-36	-274	-1326	-25	244	-1537
UNITED KINGDOM	-2088	-6384	-386	-8313	-952	-17171

\* the EUR 12 figures for 1st quarter 88 include estimates made for UEBL

## SCOPE OF THE PUBLICATION

For each of the Member States of the European Community, for the Community (EUR-12) and also for the United States and Japan the most recently available data at SOEC (often provisional) are presented, based on the recommendations and definitions of the Balance of Payments Manual of the International Monetary Fund. Sometimes figures are drawn up on a "settlements basis"; they are marked with the footnote "s)". The ECU conversion rates used are quarterly averages.

### CONCEPTS

#### Trade Account (FOB/FOB) [A]

The trade account or "merchandise" covers all transactions in movable goods, measured on a f.o.b.-basis.

#### Invisibles Account [B]

The invisibles account covers all transactions in services, income and unrequited transfers.

#### Current Account [C] = [A] + [B]

#### Long-term Capital Account [D]

The long-term capital account covers all changes in an economy's long-term foreign financial assets and liabilities.

#### Basic Balance [E] = [C] + [D]

#### Official Settlements Balance [F]

Balance which is financed by short-term movements in foreign assets and liabilities of the official sector

#### Reserves [G]

Reports movements in foreign assets and liabilities of the monetary authorities

### EXPLANATORY NOTES

s) = Data on a "settlements" basis. For a correct use of these estimates please refer to the Balance of Payments methodologies of the Member States published by EUROSTAT.

\*) = To interpret the EUR-12 estimates correctly the user should refer to footnotes for each of the Member States' balances.

N.A = not available

(+) = credit

(-) = debit

(=) = balance

Additional information on the data base and also on the methodology of balance of payments may be obtained from EUROSTAT's Division B2, "Regional and financial statistics".

More information about the data can be found in the publications of the Balances of Payments section. (quarterly and annual global data, and geographical breakdown).